



UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
OFFICE OF THE CLERK

JON D. CERETTO
Executive Officer
Clerk of Court

PUBLIC NOTICE

RE: DOCUMENTS TO BE FILED WITH CHAPTER 13 CASES - DEADLINE FOR COMMENTS: MARCH 1, 2002

The United States Bankruptcy Court for the Central District of California is considering adopting two new chapter 13 documents. These documents outline the maximum allowable debtors' attorneys' fees in chapter 13 cases unless a detailed fee application is filed and served. The draft chapter 13 documents include:

GUIDELINES FOR ALLOWANCE OF ATTORNEYS' FEES IN CHAPTER 13 CASES

RIGHTS AND RESPONSIBILITIES AGREEMENT BETWEEN CHAPTER 13 DEBTORS AND THEIR ATTORNEYS

Members of the bar and the public are invited to comment on the draft versions of these two documents. Copies of the draft documents can be downloaded from the "What's New" section of the Court's Website, which is located at <http://www.cacb.uscourts.gov>. Printed copies of the draft documents may also be obtained by calling (213) 894-1633.

All comments must be in writing and should be received by the Court no later than Friday, March 1, 2002, by faxing them to the Clerk's Office at (213) 894-0416, attention Marty Bracciotti. Please include your name, address, telephone and fax numbers, and e-mail address, so you may be contacted regarding any questions that might arise.

JON D. CERETTO
CLERK OF COURT

02-002 (02/11/02)

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

**GUIDELINES FOR ALLOWANCE OF ATTORNEYS' FEES
IN CHAPTER 13 CASES**

THESE GUIDELINES GOVERN THE ALLOWANCE OF ATTORNEYS' FEES IN CHAPTER 13 CASES IN THIS DISTRICT.

AN ATTORNEY MAY RECEIVE AN ORDER APPROVING FEES UP TO THE AMOUNTS SET FORTH HEREIN WITHOUT FILING A DETAILED APPLICATION IF:

The attorney has filed with the court and served the chapter 13 trustee with an executed copy of the "Rights and Responsibilities Agreement Between Chapter 13 Debtors and Their Attorneys," copies of which are available in the clerk's office and in the chapter 13 trustees' offices; and

No objection to the requested fees has been raised.

THE MAXIMUM FEE WHICH CAN BE APPROVED THROUGH THE PROCEDURE DESCRIBED HEREIN IS:

\$2,000 in a non-business case; or

\$2,500 in a business case;

(except in the Riverside Division where the maximum fee in either type of case is \$1,350).

If an attorney seeks additional fees or elects to be paid other than pursuant to these guidelines, the attorney shall file and serve an application for fees in accordance with Rules 2016 and 2002 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules 2016-1 and 3015-1, as well as the "Guide To Applications For Professional Compensation" issued by the United States Trustee for the Central District of California.

In any event, on its own motion or the motion of any party in interest, the court may order a hearing to review any attorneys' fee agreement or payment, in accordance with 11 U.S.C. § 329 and Rule 2017 of the Federal Rules of Bankruptcy Procedure.

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

**RIGHTS AND RESPONSIBILITIES AGREEMENT BETWEEN
CHAPTER 13 DEBTORS AND THEIR ATTORNEYS**

It is important for debtors who file a chapter 13 bankruptcy case to understand their rights and responsibilities. It is also important for debtors to know what their attorneys' responsibilities are and to communicate carefully with their attorneys to make the case successful. Debtors also are entitled to expect certain services to be performed by their attorneys. In order to assure that debtors and their attorneys understand their rights and responsibilities in the bankruptcy process, the following rights and responsibilities have been adopted by the court. The signatures below indicate that the responsibilities outlined in the agreement have been accepted by the debtors and their attorneys.

BEFORE THE CASE IS FILED,

THE DEBTOR AGREES TO:

Provide the attorney with accurate information, financial and otherwise.

Discuss with the attorney the debtor's objectives in filing the case.

**THE ATTORNEY AGREES TO PROVIDE AT LEAST THE FOLLOWING
LEGAL SERVICES:**

Personally meet with the debtor to review the debtor's assets, liabilities, income, and expenses.

Personally counsel the debtor regarding the advisability of filing either a chapter 13 or a chapter 7 case, discuss both procedures with the debtor, and answer the debtor's questions.

Personally review with the debtor and sign the completed petition, plan, statements, and schedules, as well as all amendments thereto, whether filed with the petition or later.

Personally explain to the debtor that the attorney is being engaged to represent the debtor on all matters arising in the case, as required by Local Bankruptcy Rule 3015-1(t), and explain how and when the attorney's fees and the trustee's fees are determined and paid.

The attorney's signature below certifies that before the case was filed the attorney personally met with, counseled, and explained the foregoing matters to the debtor.

Timely prepare and file the debtor's petition, plan, statements, and schedules.

Explain which payments must be made directly by the debtor and which payments will be made through the debtor's chapter 13 plan, with particular attention to mortgage and vehicle payments.

Explain to the debtor how, when, and where to make the chapter 13 plan payments.

Explain to the debtor how, when, and where to make postpetition mortgage, mobile home, and manufactured home payments.

Advise the debtor of the necessity to maintain appropriate insurance.

AFTER THE CASE IS FILED,

THE DEBTOR AGREES TO:

Make the monthly payments required.

Comply with the chapter 13 rules and procedures.

Keep the chapter 13 trustee and attorney informed of the debtor's current address and telephone number.

Inform the attorney of any wage garnishments or liens or levies on assets that occur or continue after the filing of the case.

Contact the attorney promptly if the debtor loses his or her job or encounters other new or unexpected financial problems.

Let the attorney know if the debtor is sued during the case.

Inform the attorney if any tax refunds to which the debtor is entitled are seized or not received when expected by the debtor from the IRS or Franchise Tax Board.

Contact the attorney before buying, refinancing, or selling real property, and before entering into any long-term loan agreement.

Pay directly to the attorney any filing fees and other out-of-pocket, case-related expenses that may be incurred.

THE ATTORNEY AGREES TO PROVIDE AT LEAST THE FOLLOWING LEGAL SERVICES:

Advise the debtor of the requirement to attend the 341(a) meeting of creditors, and instruct the debtor as to the date, time, and place of the meeting. Inform the debtor that the debtor must be punctual and, in the case of a joint filing, both spouses must appear. “Punctual” means that the debtor(s) must be present in time for check-in and the calendar call as well as for the actual examination.

Arrive punctually for the 341(a) meeting of creditors and, unless excused by the trustee, for the confirmation hearing. The attorney must be present in time for check-in and the calendar call, as well for the actual examination.

Advise the debtor who, if not the attorney, will appear on the debtor’s behalf at the 341(a) meeting or any court hearing.

If the attorney will be using an appearance attorney to attend the 341(a) meeting or any court hearing, personally explain to the debtor in advance the role and identity of the appearance attorney and ensure that the appearance attorney receives the attorney’s file in sufficient time to review it and properly represent the debtor.

Timely submit to the chapter 13 trustee properly documented proof of income for the debtor, including business reports required by Local Bankruptcy Rule 3015-1(c)(4).

Timely respond to objections to plan confirmation and, where necessary, prepare, file, and serve an amended plan.

Timely prepare, file, and serve any necessary amended statements and schedules and any change of address, in accordance with information provided by the debtor.

Monitor all incoming case information throughout the case (including, but not limited to, Order Confirming Plan, Notice of Intent to Pay Claims, and 6-month status reports) for accuracy and completeness. Contact the trustee promptly regarding any discrepancies.

Be available to respond to the debtor's questions throughout the term of the plan.

Prepare, file, and serve timely modifications to the plan after confirmation, when necessary, including modifications to suspend, lower, or increase plan payments.

Prepare, file, and serve motions to buy, sell, or refinance real or other property, when appropriate.

Object to improper or invalid claims, when appropriate.

Timely respond to the chapter 13 trustee's motions to dismiss the case, such as for payment default, plan expiration, or infeasibility, and to motions to increase the percentage payment to unsecured creditors.

Represent the debtor in response to motions for relief from stay.

When appropriate, prepare, file, and serve necessary motions to avoid liens on real or personal property.

Represent the debtor in adversary proceedings.

Provide such other legal services as are necessary for the administration of the case before the bankruptcy court.

Any attorney retained to represent a debtor in a chapter 13 case is responsible for representing the debtor on all matters arising in the case, until otherwise ordered by the court. When appropriate, the attorney may apply to the court for compensation additional to the maximum initial fees set forth below in this agreement.

ALLOWANCE AND PAYMENT OF ATTORNEYS' FEES:

The guidelines in this district for payment of attorneys' fees in chapter 13 cases without a detailed fee application provide for the following **maximum initial fees for the services described above in bold face type: \$2,000 in non-business cases; or \$2,500 in business cases (except in the Riverside Division where the maximum initial fee in either type of case is \$1,350).**

Other than the initial retainer, the attorney may not receive fees directly from the debtor prior to confirmation. All other fees due through confirmation shall be paid through the plan unless otherwise ordered by the court.

If the attorney performs tasks on behalf of the debtor not set forth in bold face, the attorney may apply to the court for additional fees, but such applications will be reviewed by both the chapter 13 trustee and the court. In such application, the attorney shall disclose to the court any fees paid by the debtor after confirmation and the source of those fees.

If the debtor disputes the legal services provided or the fees charged by the attorney, the debtor may file an objection with the court and request a hearing. The attorney may seek a court order allowing the attorney to withdraw from the case, and the debtor may discharge the attorney at any time.

Debtor_____

Date:

Debtor_____

Date:

Attorney_____

Date:

Rev. 2/11/02